

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 FEA-02 SCI-06 INT-08 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 AID-20 CEA-02

COME-00 EA-11 FRB-02 IO-14 NEA-10 OPIC-12 TRSE-00

CIEP-02 LAB-06 SIL-01 OMB-01 SAJ-01 DRC-01 /213 W

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C O N F I D E N T I A L VIENNA 0475

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TAGS: ENRG, AU

SUBJ: ENERGY: AUSTRIAN REACTIONS TO PRESIDENT'S OIL
INITIATIVE

STATE ALSO FOR T/IEP

REF: VIENNA 224

SUMMARY. TO DATE THERE HAS BEEN NO PUBLIC GOA REACTION
TO PRESIDENTIAL INITIATIVE. IN PRIVATE CONVERSATIONS
GOA OFFICIALS HAVE BEEN CAUTIOUS IN ENDORSING U.S. MOVE,
BUT GENERAL THEME OF REACTIONS SUPPORTS MULTILATERAL
APPROACH IN PRESENT SITUATION MIXED WITH CONCERN THAT
THIS NOT LEAD TO CONFRONTATION BETWEEN CONSUMERS AND
PRODUCERS. FEDERAL CHANCELLERY HAS WRITTEN TO AMBAS-
SADOR EXPRESSING CHANCELLOR KREISKY'S APPRECIATION FOR
BEING INFORMED OF TEXT OF PRESIDENTIAL LETTERS RE PRO-
POSED WASHINGTON CONFERENCE. LETTER AVOIDS ANY COMMENT
ON WASHINGTON CONFERENCE, HOWEVER. END SUMMARY.

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1. AUSTRIAN OFFICIALDOM HAS BEEN RETICENT IN REACTING

TO PRESIDENT'S INITIATIVE IN CALLING FOR FOREIGN MINISTERS' CONFERENCE IN WASHINGTON IN FEB TO DEAL WITH ENERGY CRISIS. WE BELIEVE THIS STEMS FROM RELUCTANCE TO TAKE ANY STAND THAT MIGHT OFFEND ARABS. THERE HAS BEEN NO OFFICIAL PUBLIC REACTION SO FAR. FIRST SIGNIFICANT COMMENT CAME THIS WEEK IN CONVERSATION BETWEEN ECONCOUNS AND DR. GEORG ZUK IN FEDERAL CHANCELLOR'S OFFICE. ZUK IS SENIOR, WELL PLACED OFFICIAL IN DAILY CONTACT WITH CHANCELLOR'S IMMEDIATE ENTOURAGE, PARTICULARLY STATE SECY VESELSKY. WHILE ZUK DID NOT INDICATE HE WAS SPEAKING ON BEHALF OF GOA, WE BELIEVE HIS REMARKS REFLECT CLOSELY CURRENT THINKING IN HIGHEST GOVERNMENT LEVELS.

2. ZUK WELCOMED PRESIDENT'S INITIATIVE AS PROMISING BEGINNING. HE ADDED THAT IT IS IMPORTANT THAT FEBRUARY MEETING APPEAR TO WORLD OPINION CLEARLY AS FIRST STEP WHICH WILL LEAD QUICKLY TO BROADER DISCUSSIONS INVOLVING NOT ONLY CONSUMING INDUSTRIALIZED COUNTRIES BUT ALSO PRODUCERS AS WELL AS DEVELOPING COUNTRIES AND COMMUNIST STATES. ZUK SAID THAT APPEARANCE OF A CONSUMERS CLUB SHOULD BY ALL MEANS BE AVOIDED AND THAT ANY IMPRESSION OF CONFRONTATION WOULD BE VERY DAMAGING. AT SAME TIME, ZUK SAID, IT WOULD BE DISASTROUS FOR CONSUMING STATES TO ENGAGE COMPETITIVELY IN BILATERAL DEALS WITH OIL PRODUCERS. THIS COULD ONLY LEAD TO WHAT HE CALLED NEW KIND OF TRADE WAR. ONLY SOLUTION IS IN MULTILATERAL COOPERATIVE FRAMEWORK.

3. ZUK SAID HE WAS CONCERNED THAT VERY FACT THAT FEB MEETING IS TO TAKE PLACE IN WASHINGTON COULD CREATE SUSPICIONS AMONG PRODUCERS. EVEN PARIS AS SITE COULD GIVE APPEARANCE OF GANGING UP BY INDUSTRIALIZED OECD COUNTRIES ON PRODUCERS AND REST OF WORLD. HE NOTED THAT OPEC SEC GEN KHENE HAD EXPRESSED RESERVATIONS TO HIM ABOUT SITE OF MEETING BEING IN WASHINGTON.

4. ZUK SAID THERE IS CONSIDERABLE THOUGHT BEING GIVEN WITHIN GOA TO POSSIBLE ROLE A SMALL, NEUTRAL COUNTRY LIKE AUSTRIA CAN PLAY IN PRESENT SITUATION. HE SAID
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IDEA IS EMERGING THAT BEST SITE FOR FUTURE MEETINGS OR CONFERENCES TO DEAL WITH ENERGY CRISIS MIGHT BE AUSTRIA WHERE THE FOUR GROUPS OF COUNTRIES MIGHT FIND MUTUALLY ACCEPTABLE GROUND, I.E. OECD COUNTRIES, OPEC STATES, DEVELOPING COUNTRIES AND SOVIET-DOMINATED STATES. RE LATTER, HE MENTIONED AUSTRIAN TRADITIONAL ROLE IN EAST-WEST CONTACTS.

5. ZUK SAID HE HAS DISTINCT IMPRESSION THAT OPEC STATES ARE NOW THINKING SERIOUSLY OF DISCUSSING ENERGY PROBLEMS WITH OECD IN CONSTRUCTIVE MANNER. HE THOUGHT THIS WAS ENCOURAGING MOVE.

6. ZUK INDICATED AUSTRIANS MAY DISCUSS IDEA OF AUSTRIAN AVAILABILITY AS SITE FOR FUTURE MULTILATERAL OIL CONTACTS IN OECD MEETING SCHEDULED FOR LATE JANUARY. HE ALSO INDICATED IT MIGHT BE RAISED AS WELL IN SALZBURG MEETING (SEE REFTEL). (ZUK IS CHIEF CAREER OFFICIAL INVOLVED IN SETTING UP SALZBURG MEETING.)

7. ANOTHER KEY AUSTRIAN OFFICIAL, SEKTIONSCHEF WILHELM FRANK, WHO HAS JUST TAKEN OVER ROLE OF ENERGY COORDINATOR IN MINTRADE, REPORTING DIRECTLY TO MINISTER STARIBACHER, STRESSED TO ECONCOUNS THIS WEEK THAT APPEARANCE OF CONFRONTATION BETWEEN OIL CONSUMING AND PRODUCING STATES SHOULD BE AVOIDED AT ALL COSTS. HE GENERALLY ECHOED ZUK'S CONCERN THAT ENERGY SITUATION BE DEALT WITH IN BROAD BASED, MULTILATERAL FRAMEWORK.

8. FRANK WAS QUITE CANDID IN SAYING THAT WE SHOULD NOT EXPECT FORMAL REACTION FROM GOA. HE DID FEEL, HOWEVER, THAT EFFORT TO FORM CONSUMERS' GROUP COULD PRESENT SERIOUS PROBLEMS. ECONCOUNS EXPLAINED THERE WAS EVERY INTENTION TO BROADEN CONSULTATIONS AND TO MEET WITH PRODUCERS AS SOON AS MODALITIES CAN BE WORKED OUT. FRANK EXPRESSED PLEASURE THAT OECD SECGEN WOULD ATTEND WASHINGTON MEETING SINCE HE FELT THIS WOULD GIVE NON-PARTICIPANT OECD MEMBERS DEGREE OF REPRESENTATION. HE ADDED, HOWEVER, THAT SHOULD MEETING WIT
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